



WISCONSIN OFFICE OF STATE TREASURER "KEEPING AN EYE ON YOUR MONEY"

Volume 2, Issue 4 May 14, 2012

\$32.5 Million for Wisconsin Public Schools

In late April, the Board of Commissioners of Public lands presented \$32.5 million from the Common School Fund to every school district in the state! That's \$26 per child!

Funds for library aid distribution consist primarily of interest generated on loans provided through the BCPL State Trust Fund Loan Program. This program provides loans to municipalities and school districts for projects including economic development,

school repairs and improvements, local infrastructure, and capital equipment and vehicles.

The Board of Commissioners of Public Lands administers both the Common School Fund and the BCPL State Trust Fund Loan Program.

The Board has provided \$168.4 million in public school library aid over the last five years.



BCPL Commissioners LaFollette, Schuller and Van Hollen with DPI Secretary Evers

The Big Board

Unclaimed Property (numbers approx.)

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\$404,922,228 Program Value

2,010,600 Number of Accounts

3,293 Claims Paid April 2012

3,161,093 Claims April 2012

\$16,607,299 Amount in Claims Paid

11,278 Number of Claims Paid

(2012)

\$39,997,814 Amount Remitted from

Holders

(Oct. 2011-April2012)

7,466 Holder Reports

(Oct. 2011-April 2012)

Local Gov. Investment Pool - April 2012

\$3,012,961,469 April Balance \$372,740,234 Total Deposits \$765,486,211 Total Withdrawals

\$382,537 Interest Earnings

College Savings Plan—April 2012

1,334 New Accounts 267,654 Total Accounts \$2,920,179,234 Program Value

Board of Commissioners of Public Lands

(numbers approx) - April 2012

\$876,789,725 Assets or Principal

76,348 Acres under Stewardship \$133.4 million Aid to Public School

Libraries (2008-2012)

T-Notes is a newsletter provided to Legislators, their staff and the Media to provide them with information regarding this office and the important work the staff of Office of State Treasurer does daily for the citizens of the state. T-Notes is published by the Office of State Treasurer at no cost to the taxpayers; the office does not run on taxpayer dollars.

Money Matters

Identity Theft

It can take minutes for someone to steal your financial information and change your life forever. The devastating consequences of identity theft are easy to avoid by taking the right precautions.

If you do fall victim, you need to act quickly. Here are the agencies to contact immediately should that happen -

Credit Bureau Contact Information Equifax

Order Credit Report: 1.800.685.1111 Fraud Hotline: 1.888.766.0008 www.equifax.com

Experian

Report Order: 1.888.397.3742 Fraud Hotline: 1.888.397.3742 www.experian.com

Trans Union

Report Order: 1.877.322.8228 Fraud Hotline: 1.800.680.7289 www.tuc.com

As Practical Money Skills tells us, immediately contact the fraud departments of each of the credit bureaus and alert them that you are a victim of identity theft, and request that a fraud alert be placed in your file. You can also request a security freeze, preventing credit issuers from obtaining access to your credit files without your permission. This prevents thieves from opening up new credit cards in your name.

Also, report identity theft to your local police department. If the crime occurred somewhere other than where you live, you may wish to report it to law enforcement there as well. The police will create an "identity theft report" and you can request a copy. The FTC does not investigate identity theft cases, but they can share information that you give them, such as the identity theft report number, with investigators nationwide. For more information about fighting back against identity theft, visit the FTC's Identity Theft website.

The Federal Trade Commission's Identity Theft Hotline is **877-IDTHEFT** (**877-438-4338**).

The Office of the State Treasurer does require your social security number for verification when you make a claim. Rest assured, we already know your social security number. We need you to verify it to make sure you are the right person to be getting the claim. But, again, if someone steals your ID and your Social Security number and they make a claim in your name, you could lose out on collecting your own money!

What Are You Worth?

The best way to gauge your financial health is to consider yourself as a business - You are the product - add up all you own and subtract everything that you owe.

Net Worth = Assets - Liabilities

Assets

Your assets are everything that you own. They may include your house, car, furniture, motorcycles, trail bikes, camping gear – anything that's worth money. Assets also include all savings, cash on hand, and investments. Even the stuff you still owe money on is included.

To determine your total assets, figure the appropriate market value of everything you own.

Liabilities

Your liabilities are everything that you owe. They're the total amount you would need to pay off your mortgage, credit cards, student loans and loans from family and friends. Be sure to include any interest and finance charges.

Building Wealth

Ideally, you will have more assets than liabilities. As you grow older and advance in your career, you'll earn more, reduce debt and increase savings.

Unclaimed Property Newspaper Listings

Menominee May 14 Lincoln May 15 Oneida May 15 Florence May 16 **Oconto May 16 Shawano May 17** Winnebago May 17 Langlade May 18 **Outagamie May 18** Chippewa May 22 **Barron May 23 Burnett May 23** Polk May 23 **Iron May 24** Price May 24 Washburn May 24 **Ashland May 25** Eau Claire May 29 Clark May 30 **Dunn May 30** Sawyer May 30 **Bayfield May 31 Douglas June 1** Pierce June 6 **Buffalo June 7 Iowa June 7** Pepin June 7 St. Croix June 7 La Crosse June 10 Dane June 12 Adams June 13 **Jackson June 13** Lafayette June 14 Vernon June 14 **Crawford June 18** Columbia June 20 **Grant June 21 Monroe June 21 Richland June 21** Trempealeau June 21 **Green June 22** Sauk June 22 Juneau June 23

Anytime, Any day

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The Economy & You: Wisconsin's Dependence on Manufacturing

There are economists that contend that manufacturing is not as important to the economy as others believe. But, there is certainty that specific states rely on manufacturing as an important part of their economy.

A recent article by Economic Modeling Specialists Inc. (EMSI) examined the question of how to measure just how dependent states are on manufacturing. While some may consider the total number of jobs or the number of exports as a method of measurement, this article put forward a concentration measure known as location quotient (LQ). Location quotient way of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to the nation.

According to EMSI, location quotient is a ratio that compares a region to a larger reference region according to some characteristic or asset. Suppose X is the amount of manufacturing jobs in a region, and Y is the total amount of jobs in the region. X/Y is then the regional concentration of manufacturing jobs in the region.

Industry LQs are calculated in a similar way by comparing the industry's share of regional employment with its share of national employment. Suppose that breweries in the state (NAICS 31212) account for 0.16% of all regional jobs but only 0.015% of all national jobs. The region's LQ for Breweries would then be (.16 / .015) = 10.67, meaning that breweries are nearly 11 times more concentrated in the region than average.

The location quotient provides a different story than merely job numbers or job growth. Industries with high LQ are typically (but not always) export-oriented industries, which are important because they bring money into the region. This is in contrast to restaurants and retail that

circulate money that is already in the region. Industries that have high LQ and high total job numbers usually form the region's economic base. Economic developers and government officials need to pay close attention to these industries. These industries typically provide above average wage jobs as well as jobs in other industry sectors like retail trade and food services also known as the multiplier effect (see previous article explaining the multiplier effect).

The article provides an overview of the 10 states most dependent on manufacturing, with the top five subsectors for each based on their concentration compared to the nation. A location quotient of 1.00 is the national average, and an LQ of 1.20 and above indicates the industry is specialized in the state. Please Note: All 2011 jobs and LQ figures are estimates

ing grew more than 466% in the last decade, indicating that the state is now taking up a much larger share of national employment. Also note that growing employment paired with declining LQ indicates that the industry is not growing as fast in the state as it is in the national economy.

Here is EMSI's summary of what taken place in Wisconsin.

Wisconsin (LQ: 1.85; 2001-11 Job Change: -21%)

Wisconsin is significantly more concentrated in manufacturing than the next state on the list, Iowa. Leading the way are other transportation equipment manufacturing (7.15) and dairy product manufacturing (6.24), the latter of which is certainly not a surprise to see high on this list. Notice the big increase in

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Rank- ing (by 2011 LQ)	State	2011 Manufac- turing Jobs	2001-11 % Job Change	2001 Job Concen- tration (LQ)	2011 Job Con- centration (LQ)	2001-11 LQ % Change	
Source: EMSI Covered Employment (2011.4)							
1	Indiana	454,542	-26%	1.7	1.86	9.40%	
2	Wisconsin	444,824	-21%	1.64	1.85	12.80%	
3	Iowa	204,560	-15%	1.33	1.55	16.50%	
4	Arkansas	157,813	-30%	1.58	1.51	-4.40%	
5	Michigan	499,462	-39%	1.47	1.46	-0.70%	
6	Alabama	238,711	-27%	1.38	1.45	5.10%	
7	Ohio	631,252	-34%	1.4	1.41	0.70%	

because of lags in federal and state data sources. The numbers cited come from EMSI's 2011.4 Covered Employment dataset.

Reviewing the list, one will see industries with rapidly declining or growing LQs. Michigan's concentration in automanufacturing declined 15% from 2001 to 2011. On the flip side, Alabama's concentration in automanufactur-

foundries (5.83, up 26.5%) compared to the nation, and the substantial decline in pulp and paper mills (5.82, and 17.6% decline).

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OFFICE OF STATE TREASURER

"KEEPING AN EYE ON YOUR MONEY"

Primary Business Address 1 South Pinckney Suite 360 Madison, WI 53703

Phone: 855-375-CASH (2274)

Fax: 608-266-2647

E-mail:

OSTSocialMedia@wisconsin.gov

We're on the Web

wismissingmoney.com



WI State Treasurer Kurt Schuller

Wisconsin Unclaimed
Property

EdVest, Wisconsin's College Savings Plan



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TheWIStateTreasury

The State Treasurer is tasked with managing more than \$400 million in Unclaimed Property and is also a Commissioner on the Board of Commissioners of Public Lands. He is also an avid promoter of Wisconsin's College Savings Plans the and Local Government Investment Pool.

Unclaimed Property: The office maintains custody and records for all property received under the uniform unclaimed property act and general escheat laws. Those with unclaimed property submit proper paperwork and examiners work to get their money back to them as quickly as possible.

Wisconsin's "529" College Savings Plan: Known as EdVest. The funds are managed by Wells Fargo Funds Management, LLC. You can open an account on behalf of a designated beneficiary and the earnings will grow state and federal tax free until the time the beneficiary is ready to continue their post-secondary education including two and four-year colleges, technical, vocational, and graduate schools. Wisconsin residents can claim up to a \$3,000 credit on state taxes per account.

The Local Government Investment Pool: This program allows local government entities to pool funds with state funds which are then invested by the State of Wisconsin Investment Board. Funds deposited in the pool are available for withdrawal on one day's notice and without penalty on interest earnings. Interest is credited to the local government accounts monthly. Average daily balance in the pool now exceeds \$3.1 billion.

For questions about "Treasury Notes", please email Ron Giordan, Communications Director at <u>ron.giordan@wisconsin.gov</u> or call Ron at 608-266-5757.

EdVest/Tomorrow's Scholar Served Half Million

This month, auditoriums, gymnasiums, and outdoor locations around the state are filled with graduating seniors and their excited families. The Wisconsin 529 College Savings Program congratulates all graduates for their work in reaching one of life's milestones.

Since its inception a dozen years ago, more than a half-million students have helped finance their higher education costs through Wisconsin's 529 plans, EdVest and Tomorrow's Scholar.

It is a good time to remind friends and family that saving for higher education is an investment in the success of graduates. Precollege savings lessens the need for loans and the repayment burden later, when starting one's career path. Many families begin saving early, with small automatic monthly amounts, increasing as they can afford to. Plans also accept lump-sum gifts or birthday money from relatives.

Savings can be used at most undergraduate, technical, graduate, or professional degree schools—Wisconsin's plans have no restrictions on where the student attends. Most institutions in the U.S., and many in other countries qualify.

There are also tax benefits, as the growth of the money is both federal and state tax-free when used for most expenses. In addition, Wisconsin parents, grandparents, aunts and uncles may each receive a \$3,000 break for the same child beneficiary each year when filing their state taxes.

To learn more about the rules and benefits of 529 plans, go to www.collegesavings.org or to Wisconsin's direct-sold plan, www.edvest.com. The call center is available for questions at 1-888-338-3789.

